

Meeting Date: 11/18/08

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 7A-6



Date: November 13, 2008

To: City Manager for Council Action

From: Director of Finance

Subject: Santa Clara Convention Center and Convention/Visitors Bureau (SCCC-CVB) Fourth Quarter and Full Fiscal Year 2007-08 Activity Report as Submitted by the Santa Clara Chamber of Commerce and Convention Visitors Bureau

EXECUTIVE SUMMARY:

Submitted for City Council review and acceptance in a combined format is the SCCC-CVB Fourth Quarter and Full Fiscal Year 2007-08 Activity Report as submitted by the Santa Clara Chamber of Commerce and Convention/Visitors Bureau. Submission of the report is required under the management agreement for the operation of the Santa Clara Convention Center and the agreement for convention and visitors services.

As mentioned in the attached report, the Fourth Quarter Financial Results (Results) of the Santa Clara Convention Center (SCCC) show year-to-date revenues at \$317,268 higher than the budget. The favorable revenue variance consists of favorable variances in the catering, audio-visual, telecommunications, and space rental revenue categories and an unfavorable variance in the other income category. The Results show year-to-date expenses at \$97,004 lower than the budget from favorable variances in most expense categories; the highest favorable variance is \$99,641 in labor related expenses and the highest unfavorable variance is \$65,390 in utilities. The above revenue and expense variances combined for a year-to-date SCCC favorable budget variance of \$414,272 as of June 30, 2008. Net loss for the year was \$327,540, less than the budgeted loss of \$741,812 for the full Fiscal Year 2007-08.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

The SCCC-CVB Fourth Quarter and Full Fiscal Year 2007-08 Activity Report provides current information on the business activities of the Santa Clara Convention Center and Convention/Visitors Bureau.

ECONOMIC/FISCAL IMPACT:

Acceptance of this report will have no fiscal impact to the City

RECOMMENDATION:

That the Council accept the Santa Clara Convention Center and Convention/Visitors Bureau Activity Report for the Fourth Quarter and full Fiscal Year 2007-08 as submitted by the Santa Clara Chamber of Commerce and Convention Visitors Bureau.

APPROVED:

Mary Ann Parrot
Director of Finance

Jennifer Sparacino
City Manager

Documents Related to this Report:

1) Santa Clara Convention Center and Convention/Visitors Bureau Fourth Quarter Activity Report



CHAMBER OF COMMERCE & CONVENTION-VISITORS BUREAU

RECEIVED

JUL 23 2008

City of Santa Clara
Accounting Services

July 23, 2008

Ms. Mary Ann Parrot
Director of Finance
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Ms. Parrot:

Attached is the original 2007-08 Fourth Quarter Report, encompassing the months of April, May, and June 2008 for the City Council and a copy for you. This also represents the end of the fiscal year 2007-08 report.

If you have any questions about the report, please let me know.

Regards,



Steve Van Dorn
President & CEO

cc: Jennifer Sparacino, City Manager
Rod Diridon, Jr., City Clerk
City Council Members
Lisa Moreno, General Manager
Bill Benaderet, Assistant General Manager
Annette Manhart, Vice President of Convention Sales, Marketing and Services
David Andre, Vice President of Marketing and Communications



SANTA CLARA

SILICON VALLEY CENTRAL
CHAMBER OF COMMERCE & CONVENTION-VISITORS BUREAU

July 23, 2008

The Honorable Mayor and City Council
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Mayor and Council:

Following is a report of the activities for the Fourth Quarter of the 2007-08 Fiscal Year, encompassing the months of April, May, and June 2008 at the Santa Clara Convention Center, combined with a report of the Convention-Visitors Bureau for the same period. This also represents the end of the fiscal year 2007-08 report.

CONVENTION CENTER				
Activity Summary				
TYPE	06/07	07/08	ATTENDEES	EVENTS HELD
Conventions	14	19	16,635	MySQL, Christian Home Educators, Backdraft Technologies, Directions Magazine, Company Dance, Golden Gate Nationals, Tie-Con, Service and Support Professionals Assn., Catholic Charismatic, Parks Associates, Comp/TIA Software Marketing, National Venture Capitalists, Northern California Volleyball Assn., Larta Institute, Platform Computing, Cascade Games, Oasis, PCI Developers and Korea IT Network
Trade Shows	10	13	15,200	Job shops, Body-Mind-spirit, CAA Tri County, Silicon Valley Scale Modelers, Promotional Marketing, County of Santa Clara, American Sign Language Expo, Clasma Events, Bay Area Facilities Expo, Executive Council of Homeowners, American Stamp Dealers Assn., San Jose Bird Mart and 7-11 Franchise Expo.
Public Shows	11	16	13,360	Expos Unlimited, Creation Dance, Dharmagates Found., Dance Masters, San Juan School of Dance, Niosha Dance (2), SJ Mercury News (2), Warehouse Sale, Dance Academy, Kala Vandana Dance, Abhinaya Dance, JAACU, RD Karate and H&L Productions.
Meetings	66	69	27,075	
Banquets	14	15	7,200	
Totals	115	132	79,470	

Revenue - 4th Quarter			
06/07	07/08	Budget	Variance
\$4,152,558	\$4,365,268	\$4,048,000	+\$317,268

Year-to-date catering revenue is above budget by \$62,009. Audio-visual revenues are above budget by \$60,992, Telecommunications is above budget by \$48,436 and Space Rental is above budget by \$127,504. Other income is the only line item below budget.

Total Expenses – 4th Quarter			
06/07	07/08	Budget	Variance
\$4,410,661	\$4,692,808	\$4,789,812	-\$97,004
Operating Expenses			
06/07	07/08	Budget	Variance
\$1,019,030	\$1,106,702	\$1,104,065	\$2,637
Total Labor Expenses			
06/07	07/08	Budget	Variance
\$3,391,631	\$3,586,106	\$3,685,747	-\$99,641
Net Loss:	\$327,540	\$741,812	+\$414,272

End of the year revenues of \$4,365,268 and expenses of \$4,692,808 have produced a net loss of \$327,540 or **\$414,272 less than the budgeted loss of \$741,812**. By adding the annual Ballroom License Allocation of \$268,614 to the above net loss, the Convention Center just missed breaking even by \$58,926 for the 2007-08 year.

Projects: The main focus will be on the ballroom expansion. We will also repair the air walls in the Great America Ballroom, meeting rooms, exhibit halls and remove the public phone booths.

First Quarter 2008-09 Fiscal Year Projections

TYPE	NUMBER	ATTENDEES	EVENTS SCHEDULED
Conventions	11	12,400	Denali Software, Art of Living, American Contract Bridge, Scrapbook Expo, Bay Area Christian Church, Information GateKeepers, Miss America Pageant, Mentor Graphics, IDEMA, SecureWorld and Zend Technologies
Trade Shows	4	7,800	Wedding Fair, Northern California Plant Engineering, Nurseweek Publishing and At One Place.com
Public Shows	11	11,500	Gem Fair, Dance Masters, Bytes and Notes, San Jose Art and Cultural Society, Dance Arts Academy, San Jose Mercury News (2), Miss Vietnam of Northern CA, The Warehouse Sale, Home Show and San Jose Art and Cultural Society.
Meetings	49	20,957	
Banquets	13	6,150	
Total	88	58,807	



CONVENTION AND VISITORS BUREAU

Convention Sales/Marketing Department: In the fourth quarter, sales and marketing staff exhibited and/or attended: HSMIA-Affordable Meetings in Chicago, NEMICE in Boston, MA, Springtime in the Park in Washington, DC, HSMIA-Affordable Meetings in Long Beach, hosted our Sacramento client breakfast and made sales call throughout the Bay Area. The CVB conducted 8 site inspections of the City for future meeting business.

	4th Qtr 06-07	4th Qtr 07-08	% Difference		4th Qtr 06-07	4th Qtr 07-08	% Difference
Leads	77	79	+4	Bookings	32	42	+31
Attendees	89,765	59,361	(34)	Attendees	42,850	56,296	+31
Room Nights	63,245	61,199	(3)	Room Nights	17,785	33,835	+90

The Department ended the year with 130 convention and trade show bookings, representing 174,566 attendees and 101,375 potential blocked room nights **(the highest level since the 1999/2000 fiscal year)**. Bookings are 8% lower than the previous year and room nights blocked are 15% higher than last fiscal year.

Hotel room nights represent only those hotel rooms that are "blocked" and no projections are made of room nights that come in after the block is cut off by hotels or for those delegates or exhibitors who utilize hotels not included in the blocks.

Convention Services Department: The Convention Services Department registration staff was brought back in-house in August 2007. In the Fourth Quarter, the staff provided 1,756 hours of on-site registration services compared to 2,179 hours in the fourth quarter of last year.

The department ended the year with providing 5,268 total hours of on-site registration compared to 4,875 hours last fiscal year, an 8% increase.

Travel Marketing and Communications Department: The Travel Marketing and Communications Department in the Fourth Quarter attended the Travel Industry Association's Pow Wow in Las Vegas, NV, California Industry Association's (CalTIA) Annual Conference in Palm Desert, CA and hosted our annual National Tourism Week Luncheon. David Andre, Vice President of Visitor Marketing and Communications was appointed to a two year term on CalTIA's Board of Directors. The department fulfilled 2,018 visitor requests for information from the internet, mail, telephone and advertising inquiries compared to 807 last year. The department also generated 280 hotel room nights through www.santaclara.org compared to 358 last year for the quarter.

Unique user sessions on www.santaclara.org continue to increase with June reaching an all-time high of 49,209 users. This represents an increase of 9% over this time last fiscal year.

The department produced the monthly newsletter for the Convention & Visitors Bureau, sent out several e-newsletters, created advertisements and completed the Visitors Guide.



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The department ended the year with fulfilling 6,681 requests for information compared to 3,230 last year representing an increase of 106%. A total of 959 hotel room nights were booked through www.santaclara.org, a decrease of 68 hotel room nights or 7% from last year.

This concludes our 2007-08 Fourth Quarter and end of the fiscal year report for the Convention Center and Convention-Visitors Bureau. Thank you for your continued support of our activities.

Regards



Steve Van Dorn
President & CEO

